

CALL FOR 2006-2007 BIENNIUM GRANT APPLICATIONS



CLEAN WATER ACT SECTION 319 NONPOINT SOURCE (NPS) GRANTS

June 1, 2006

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FY 2007 SCHEDULE OF EVENTS

<u>EVENT</u>	<u>DATE</u>
Release of Call for Section 319 Grant Applications	June 1, 2006
Draft Applications Due	September 29, 2006
Draft Comments Due to Applicants	October 27, 2006
Final Applications Due	December 1, 2006
Evaluation by Water Activities Work Group (WAWG)	January 17, 2007
Final Project Implementation Plans Due to DEQ	February 7, 2007
DEQ Submits State of MT Application for EPA Review	March 2, 2007
EPA Completes ESA Reviews with US Fish & Wildlife	April 13, 2007
EPA Authorizes Montana Projects (subject to Congressional Approval of Budget)	May 4, 2007
DEQ Sends Out Grant Agreements to Project Sponsors	May 21, 2007
Project Sponsors Return Signed Agreements	June 8, 2007

FISCAL BIENNIUM 2008-2009 WILL BE ANNOUNCED ON JUNE 1, 2007

1.0 INTRODUCTION

The Montana Department of Environmental Quality (DEQ) is issuing this Call for Grant Applications under Section 319(h) of the Federal Clean Water Act (CWA). This guidance will cover State Fiscal Biennium 2006-2007 with each State Fiscal Year (SFY) having independent schedules for the submission, review and award of Section 319(h) grants.

Section 319(h) funds for projects are distributed competitively to support the most effective and highest priority projects. There are two categories for competitive projects:

Water Quality (Watershed) Restoration
Groundwater Restoration

DEQ is soliciting project proposals from eligible applicants to further Montana's Nonpoint Source Program goals. These overall program priorities are described in the 2001 Montana Nonpoint Source Management Plan: A Watershed Approach (<http://www.deq.state.mt.us/wqinfo/nonpoint/NonpointPlan.asp>).

DEQ is the lead Montana agency for the NPS program and for the Clean Water Act section 319 grant program. The 2006-2007 grant cycle will focus on: 1. watershed restoration projects for watersheds with approved water quality restoration plans, and 2. water bodies on the 1996 or 2004 303(d) lists of impaired waters that are scheduled for TMDL development from 2005 to 2007. The map of watersheds with approved water quality restoration plans is provided in "Attachment H" of this document. A list of the approved water quality restoration plans is available at: <http://www.deq.state.mt.us/wqinfo/TMDL/finalReports.asp>. The current 303(d) list is accessible at: <http://nris.state.mt.us/wis/environet/2004Home.html> and previous lists are available at: <http://nris.state.mt.us/wis/environet/DataBaseChoice.html>.

The Schedule for the Development of Total Maximum Daily Loads (TMDLs) in Montana is available at: <http://deq.state.mt.us/wqinfo/TMDL/2005Schedual1218.pdf>.

1.1 APPLICANT ELIGIBILITY

Applicants must be either a governmental entity or a nonprofit organization. A governmental entity is a local, state or federal office that has been established and authorized by law. Nonprofit organizations are identified as having a tax exempt declaration of 501(c) from the Internal Revenue Service.

1.2 COST SHARE REQUIREMENTS

Applicants must also be able to meet a 40% cost share (also known as match) for the project. The cost share will utilize non-federal matching funds for the project and must be from a private, state, local, or non-profit source. The cost share can be in the form of cash, other grants, or in-kind services that have a direct benefit to the described project. When committing match dollars to a 319 project, applicants must remember that the match can only be applied to one project. When listing match dollars and source, please indicate if the funds have been secured or intend to solicit at the time of the application.

An example of a 60 / 40 cost share for a project with a *total cost* of \$160,000 is \$100,000 of 319 Funds and \$60,000 *cost share*. The matching funds cost share is calculated by taking the amount of 319 funds requested, dividing by 60% which forces a total project price and then

subtracting the original 319 funds request. In this example, \$100,000 / 60% = \$160,000. Subtracting \$100,000 from \$160,000 gives a balance of \$60,000 in matching funds.

1.3 APPLICATION SCHEDULE

The application process will happen in two stages. **ALL APPLICANTS MUST COMPLETE BOTH DRAFT AND FINAL APPLICATION STAGES.** The first stage is the Draft Application Process. The second stage is the Final Application Process. In both stages, submission of the application MUST be done in both electronic and hard copy forms.

Electronic form means that the document must be delivered on a CD, disk, or via E-Mail. If submitting via E-Mail, the required portion to be received is the Narrative. The format must be MS Word for the Narrative portion of the application. Supporting documents must be in Microsoft Office Suite compatible format or Adobe PDF. Hard copy form means a written application (on paper) with support documentation. Documents in electronic form must be received by and documents in hard copy must be postmarked by the deadlines listed below and on the Schedule of Events.

RECEIPT OF ELECTRONIC FORMAT IS SUFFICIENT FOR MEETING SUBMISSION DEADLINES.

In order to submit an application, hard copies should be mailed to:

Rob Rung, Contracts / Grants Officer
Water Quality Planning Bureau
Department of Environmental Quality
1520 E. Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901

E-mail transmissions must be submitted to: rrung@mt.gov.

If you have any questions on submitting the application, please contact Mr. Rung at 406-444-6756 or rrung@mt.gov.

1.3.1 DRAFT APPLICATION PROCESS

Draft applications for all categories are due to DEQ on September 29, 2006. One electronic form and one hard copy form must be submitted for draft applications.

APPLICANTS ARE ENCOURAGED TO SUBMIT DRAFT DOCUMENTS PRIOR TO THE DEADLINE OF SEPTEMBER 29, 2006

DEQ Staff will review Water Quality (Watershed) Restoration, and Groundwater Restoration applications and will provide comments on the project and / or application. The recommendations will be issued in written format to the applicant no later than October 27, 2006.

1.3.2 FINAL APPLICATION PROCESS

Applicants should incorporate the recommendations made by DEQ to increase the likelihood of funding. Applicants are encouraged to discuss the applications with DEQ Staff or Water Activities Work Group (WAWG) members during the entire draft and final submission process. WAWG is the evaluation committee for the 319 applications and is comprised of governmental, private and non-profit environmental professionals. DEQ Staff and WAWG members are not allowed to discuss the evaluation, ranking or funding recommendations with applicants once the final documents have been submitted. After submission deadline, all communication on the process must be conducted through Rob Rung, DEQ Contract / Grant Officer. Mr. Rung can be contacted by telephone at 406-444-6756 or via email at rrung@mt.gov.

All applications in final form **MUST** be received by DEQ no later than **DECEMBER 1, 2006**. Applicants are encouraged to revise the documents and submit their final application prior to the deadline of December 1, 2006.

Final applications must be received in electronic form prior to 5:00 pm on December 1, 2006. Hard copy form must be hand delivered or postmarked no later than December 1, 2006. Failure to meet the deadline will disqualify an application from consideration. **One** electronic form and **TWO** hard copy forms must be submitted for final applications.

1.3.3 FINAL APPLICATION EVALUATIONS

Competitive applications will be evaluated by the Water Activities Work Group (WAWG) on January 17, 2007. Applicants will be offered an opportunity to present the proposed project to the WAWG. Presentations will be limited to 15 minutes and DEQ Staff will coordinate all media needs.

Evaluations for all projects will utilize category score sheets. Preliminary score sheets are included with this document as Attachment A. DEQ reserves the right to modify the score sheets at a later date. If score sheets or any other part of this document are modified, DEQ will announce and distribute the changes through a written addendum.

The evaluation process will determine if a project should receive Full Funding, Partial Funding or Not Be Funded. The funding level may necessitate negotiations on a final Project Implementation Plan (PIP) prior to having the application incorporated into the DEQ 2007 319 Project Grant.

The US Environmental Protection Agency (EPA) has final approval on all projects selected by DEQ for funding. EPA reviews the final PIP's for TMDL components, efforts to help achieve Montana's NPS Management Plan, and overall impacts on water quality. EPA, in consultation with the US Fish and Wildlife Service, will also conduct an Endangered Species Act (ESA) review to establish necessary parameters for compliance with the Act. Final EPA approval for projects will be announced on or about May 4, 2007. Upon receipt of EPA approval, DEQ will issue Grant Agreements (contracts) to the successful applicants.

2.0 REQUIRED PROJECT CRITERIA & FORMAT (ALL CATEGORIES)

Only one category per application is allowed. Multiple applications are permitted in this Call For Grant Applications; however, the following guidelines will be enforced:

- ✦ Multiple applications in the same category must be in different project areas.
- ✦ Multiple applications in the same project area must be in different categories.

All applications **MUST** keep the administrative cost category at 10% or lower. DEQ has instituted a 10% cap for all administrative costs for all application categories in accordance with the National Guidance from EPA. This cap must be maintained unless a specific agreement has been negotiated between the applicant and EPA and is consistent with current National Guidance. Administrative activities that can be included in project costs include but are not limited to: project reporting, mailing, rent, insurance, and office supplies.

Applicants should review the specific criteria requirements for each category detailed in Sections 3.0 – 5.0 below to determine if multiple applications will benefit the overall project.

2.1 FORMATTING

When preparing an application, please use the following format:

- ✦ One-inch bottom, top and side margins.
- ✦ Arial or Times fonts.
- ✦ Font size no smaller than 11 points save for footnotes or endnotes.
- ✦ Single spacing throughout narrative.
- ✦ Font style, size, and spacing requirements do not apply to tables, captions, spreadsheets, footnotes or endnotes.
- ✦ The project title of five words or less.
- ✦ Applications are limited to 10 pages of narrative and 5 support pages. Support pages may include maps, photos, data, milestone table, budget table, and letters of support table. Nonpoint Source Grant Application Summary Form and letters of support are not included in page count totals.
- ✦ When submitting an application in draft form, please provide 1 hard copy and 1 application in electronic format by September 29, 2006.
- ✦ When submitting a Final Application, please provide 2 hard copies and 1 electronic format by December 1, 2006.
- ✦ The top page of the application will be the Nonpoint Source Grant Application Summary Form. It should be completed to the best of the applicant's ability for the draft submission. DEQ Staff is available to assist in completing the form.
- ✦ Final Applications must have the entire Nonpoint Source Grant Application Summary Form completed and signed by the authorized agent of the sponsoring organization.
- ✦ All signatures must be original and in BLUE ink for Final Applications on hard copies.

2.2 PROJECT SUMMARY & TRANSMITTAL SHEETS

The Nonpoint Source Grant Application Summary Form attached to this document as Attachment B. The form is also available electronically and includes drop down menus to assist in completion. Please contact Rob Rung at 406-444-6756 or rrung@mt.gov for the electronic version of the form.

2.3 INTRODUCTION

All applications must have a brief introduction of the overall project and the sponsoring organization. The proposed project should implement and support Montana's Nonpoint Source Management Plan (<http://www.deq.state.mt.us/wqinfo/nonpoint/NonpointPlan.asp>).

The Introduction will also be comprised of subsections. The subsections are described in Sections 2.3.1 – 2.3.6. Each subsection must have a header identifying the subsection and contain the information described below (ref: Sections 2.3.1-2.3.6).

When preparing the application, it is imperative that organizations detail an analysis of how costs are calculated, when contracted help (subcontractors) will be utilized and how reporting / products will be conveyed to DEQ.

THIS ANALYSIS SHOULD BE PRIMARILY CONTAINED IN THE INTRODUCTION AND HIGHLIGHTED WHEN NECESSARY THOUGH OUT THE DOCUMENT

2.3.1 STATEMENT OF NEED

The project application must clearly describe a water quality restoration plan activity and / or a NPS program need and the project's resulting benefit. Prevention of pollution in impacted or threatened waters is also considered a benefit. The statement of need must detail the project area; identify water quality issues of the project area (including lack of information); and how the project will benefit the State of Montana and in particular, how water quality restoration will achieve water quality standards in the watershed area.

2.3.2 WATER QUALITY RESTORATION PLAN (WQRP) COMPONENTS

All applications must include implementation of a Restoration Strategy called for in an existing Water Quality Restoration Plan (WQRP) or include activities that will lead to the development of a WQRP. Project applications that implement a WQRP containing Total Maximum Daily Loads (TMDLs) will be given preference over other approved water quality plans. Applications for Watershed Restoration and Groundwater Restoration must detail which proposed activities would implement the priorities of a TMDL or WQRP. Specifically, the application must detail priorities contained within an approved plan and how their application will continue and / or initiate the desired course of action described within the plan. The application MUST connect to the approved plan's recommended implementation strategy. Implementation activities could include tasks such as: 1) development of an implementation plan; 2) engineering design work; 3) watershed group activities to oversee development of the plan and designs; 4) Sampling Analysis Plan (SAP) development and field monitoring and / or modeling (to establish baseline conditions); 5) field implementation; 6) post implementation monitoring; and 7) operation and maintenance. Other tasks could be for additional phases of WQRP such as refinement of targets and load allocation, five-year evaluations, and long term monitoring for trends analysis.

2.3.3 WELL PLANNED PROJECT (Reasonable Costs / Use of Subcontractors)

The application should show that the project efficiently and effectively achieves Montana's NPS goals. This section will include an analysis of how the responsible parties were selected and the costs were calculated for each section. Costs for subcontractors, in-kind support efforts, and other funding sources must also be included. The application should detail what level of

overall project funding will be from 319 funds and how the applicant determined the amount. Describe the products that will be delivered to DEQ at the completion of each task. Show that consideration was given to the costs of reporting, method of delivery of products to DEQ and efficient use of 319 funds. Applications should detail how the project will maintain all documentation and reporting on performance measures / environmental benefits.

2.3.4 COLLABORATIVE EFFORT

Applicants must document in this section how the project proposal was developed and will be carried out under a collaborative effort. Applications must show that the project has reached out to all possible sources of funding and assistance for successful project completion. Include the organizations that would most logically be involved in a comprehensive coordinated effort. Describe the sources of technical and financial assistance needed and / or authorities that will be relied upon to develop and / or implement this plan. Applications need to address other relevant Federal, State, local and private funds and resources that may be available to assist in implementing the effort.

2.3.5 LETTERS OF SUPPORT

Support from the local stakeholders is a key element in the success of a project. Applicants are required to provide a minimum of three letters of support from local stakeholders for the project grant application. Applicants are encouraged to submit more than three letters of support if possible. All letters of support must be documented and described within this subsection showing a broad base of support for the application.

DEQ requires a listing of all letters of support in a table format. The table can be included as part of the narrative or in the support pages. A sample table is included in this document as Attachment C.

2.3.6 REPORTING REQUIREMENTS

All applications must include a narrative on how reporting requirements will be achieved. The reporting requirements for all projects will include submission of quarterly, annual and final reports for the project. The quarterly and annual reports are progress based covering a specified time period. The final report will consist of a document that will act as a “stand alone” report for the entire project. Parties unfamiliar with the project must be able to read this report and have a clear understanding of the project from inception to completion, including data collection, photo documentation, analysis of accomplishments, description of any obstacles encountered, recommendations for future projects, and a complete fiscal breakdown of the overall project budget and how 319 funds were expended.

This subsection must detail in what format and how products will be delivered to DEQ. All quarterly, annual, and final reports will be submitted in electronic as well as hardcopy format, for inclusion in GRTS. Reports consisting of the compilation and / or analysis of existing data will also be submitted in electronic format, for inclusion in GRTS.

As a part of an EPA National Mandate, all projects involving “on-the-ground” activities that address nitrogen, phosphorous and sediment must have load reductions calculated prior to commencement of activities. Additionally, the applicant will be responsible for supplying DEQ with baseline information on the project location, area, conceptual design, pollutants addressed, and water quality benefits. The grantee will also be responsible for providing yearly data as

directed by DEQ for monitoring cumulative reductions identified prior to project commencement. The monitoring activities will require a Sampling Analysis Plan (SAP) that must be approved by DEQ prior to project implementation.

In order to improve State and public access to water quality data, all in-stream water quality monitoring data for water resources collected pursuant to the implementation of a Section 319 project, must be included in STORET. The water quality monitoring data therefore must conform to a specific format for direct import using the STORET Import Module (SIM). SIM compatible Electronic Data Deliverable (EDD) file specifications are detailed on the web at http://www.deq.state.mt.us/wqinfo/datamgmt/STORET_SIM_Support.asp. Questions regarding the SIM compatible format can be directed to Jolene Berscheid of the Data Management Section, (406) 444-5304 or jbberscheid@mt.gov for further consultation.

2.4 PROJECT IMPLEMENTATION PLAN (PIP) OUTLINE

The application must contain a project implementation plan (PIP). The PIP will consist of Goals, Objectives, Tasks, and Responsible parties, Timelines, Costs and Deliverables. A PIP must contain a minimum of one goal, one objective, and one task.

All goals, objectives and tasks must be numbered sequentially throughout the PIP. An example is Goal 1, Objective 1, Tasks 1 – 4, Goal 2, Objective 2, Tasks 5 –7. This way, there will not be any confusion as to when a goal, objective or task is being referenced. Administrative Costs and / or Fees must be listed as a separate task within the plan.

The PIP must state a goal, which is then followed by an objective. Under the objective the plan will list the tasks necessary to meet the objective. Under the task the application **MUST** detail how the task will be accomplished. Immediately after this task description, the following must be listed:

Responsible Party
319 Cost
Match Cost Share, Source and Status (*secured or intent*)
Deliverable
Acceptance Criteria (*optional for application but mandatory for final PIP*)

The tasks and activities should be logically presented, and the responsible entities and their contributions clearly delineated. An ideal number of tasks to be included in a PIP would range from four to eight (this includes a task for project administration and / or administrative costs). Applications will not be discounted for containing less than four tasks or more than eight tasks.

The application should contain a description of the project that provides a clear picture of the extent and type of work to be accomplished. A detailed design is not necessary, but the description should be adequate to enable proposal reviewers to understand the level of anticipated results and likelihood of achieving these results.

When assembling the PIP, please remember that a task or series of tasks must be completed to meet an objective. For each objective being met, the plan moves closer to achieving the stated goal(s).

Examples of a PIP for each project category are found in this document as Attachments D – E. Please review the sample PIP for the appropriate category. If you have questions, contact Rob Rung, DEQ Contract / Grants Officer at 406-444-6756 or rrung@mt.gov.

2.5 SUPPORT DOCUMENTS

The grant application must also have the support documents described in sections 2.5.1 – 2.5.3 below.

2.5.1 PROJECT MILESTONE TABLE

A milestone table provides the best method to demonstrate how a project will progress at a glance. The project milestone table should be referenced in the narrative and included as a support document. An example milestone table is found in this document as Attachment F.

2.5.2 PROJECT BUDGET TABLE

A Project Detail Budget Table provides the best format for providing the required budget information. The budget table provides a summary of project budgets and the sources of funds. The project budget table should be referenced in the narrative and included as a support document. The dollar figures utilized in the PIP must be consistent with the budget table and totals on the Project Summary Sheet. An example budget table is found in this document as Attachment G.

2.5.3 PROJECT MAP

Provide map(s) showing location of project activities and / or aquifer. Please review Sections 3.0 – 6.0 below for additional information requirements to be included with project maps.

SUPPORT MAPS FOR APPLICATIONS

Provide map(s) showing location and size of project activities and / or aquifer. Maps must detail project location by section / township / range and when appropriate longitude and latitude. Appropriate information incorporated on the map may include when necessary: land uses, land ownership, and project location and important water resources (including major wetlands). Also, provide information on locations of present, past and future sampling sites, sources of problems or critical areas, and other pertinent information such as wells, natural springs, and point sources.

3.0 SPECIFIC CRITERIA FOR WATER QUALITY (WATERSHED) RESTORATION PROJECTS

Applications for Water Quality (Watershed) Restoration Projects must follow the general application requirements (refer to Sections 2.0). All water quality restoration projects should describe or list the specific water quality restoration priorities / schedules from their watershed plan. Applications will describe the impairments from the integrated report / 303(d) list that will be restored. The applications must contain the specific requirements detailed in Sections 3.1 – 3.5 below.

The **TOP PRIORITY** for Water Quality (Watershed) Restoration applications will be those restoration projects implementing prioritized water quality restoration activities from DEQ approved water quality restoration plans (including TMDL plans). The application will describe the link between the projects' proposed restoration activities and the water quality restoration plans' implementation priorities or scheduled restoration activities. The watersheds with DEQ approved water quality restoration plans are shown in "Attachment H" of this document and a list of these plans is available at: <http://www.deq.state.mt.us/wqinfo/TMDL/finalReports.asp>.

Projects in **HIGH PRIORITY** watershed applications will include watershed restoration projects implementing water quality restoration strategies from an approved water quality (watershed) restoration plan for impaired waters. Such water quality (watershed) plans with restoration strategies could include: NRCS approved watershed plans with restoration implementation strategies, Conservation District plans describing water quality restoration priorities and strategies, Source Water Protection plans for impaired surface waters with restoration priorities or schedules, DNRC plans implementing water quality restoration strategies, Fish Wildlife and Parks watershed / fishery restoration plans with water quality strategies, DEQ water quality restoration plans with restoration strategies (but lacking restoration priorities or schedules), and, watershed restoration plans developed by BLM, Forest Service, FWS, or other public agencies that include water quality restoration strategies for impaired waters.

MEDIUM PRIORITY water quality restoration projects include watershed restoration activities for impaired water bodies on the year 2004 lists (Categories 4 or 5 – see water body listings at: <http://nris.state.mt.us/wis/envirnet/2004Home.html>) or on the year 1996 impaired waters listing (the 303(d) list - see <http://nris.state.mt.us/wis/envirnet/DataBaseChoice.html>).

Applications for projects in a Top Priority Watershed will receive first consideration for funding during the evaluation process. Applications for High Priority Watersheds will receive the next consideration for funding; Medium Priority Watershed applications will be evaluated after high priority watersheds have been considered. Funding levels for medium priority water quality restoration projects will be tied to their watershed restoration scheduling and project contributions in meeting the DEQ watershed restoration schedules (primarily scheduled TMDL restoration activities).

3.1 INFORMATION AND EDUCATION COMPONENT

Applications for Water Quality (Watershed) Restoration projects must contain an Information and Education (I & E) component. This component should be a subcategory within the Introduction (Section 1.0 of application). DEQ will limit the percent of 319 water quality restoration funds that can be allocated towards I & E to 10% of the total 319 funds requested. Applicants must be able to justify the costs associated with I & E activities and the benefit to the

project and ultimately improved water quality. The cost cap only applies to the 319 funds requested; applicants can obligate greater amounts of funds for their I & E activities from other funding sources to utilize towards the match requirements.

The I & E component should identify the target audience, information to be disseminated, method of delivery, and method of monitoring the I & E effort to evaluate effectiveness. The I & E component must be detailed as a specific line item within the PIP and have reasonable associated costs. The specific line item can be either objective or task level.

3.2 RESTORATION PROJECTS

Applications for Water Quality (Watershed) Restoration Projects should state that priority tasks identified in an existing watershed plan will be implemented using the established schedule. This statement should be a subcategory within the Introduction (Section 1.0 of application). DEQ will not limit the percent of 319 funds that can be allocated towards restoration project activities.

Projects should include a summary description of important watershed characteristics such as topography, elevation, land ownership, land use, precipitation (with seasonal distribution), other climatic information, soils, geology, erosion rates, aquifer vulnerability, wellhead protection area, vegetation conditions, and man-made features. All projects must include geo-locational information (section, township, range), time of year and project duration information (DEQ prefers a preliminary / draft design to be submitted with the projects description). Include only the information that is relevant to the watershed water quality restoration needs. For example, on agricultural projects, important restoration factors could include crop types, irrigation systems, physical condition of stream, types of enterprises (cow-calf, horse, sheep), management systems, Animal Unit Months (AUMs), range condition and trend. On silvicultural projects, key restoration factors could include: miles of temporary and permanent roads within 100 feet of perennial drainages, acreage of timber sales within the Streamside Management Zone (SMZ) or within 100 feet of perennial drainages, percent of watershed under timber management, elevation and aspect of cutting units. For urban projects, important restoration factors could include: type of urban development, acreage of various land uses such as parks, housing, or industrial areas. For mining projects, important restoration factors could include: volume, locations, and chemistry of tailings and adit discharges, and groundwater-surface water relationships.

The narrative should provide information that defines the type of water quality problem (chemical, biological, physical / habitat). Specify the source(s) of the pollutant or cause of the environmental degradation. If chemical or sediment constituents are involved, provide loading and concentration information. If problems are related to physical / habitat decline, document the cause of the degradation. Include information on the timing of the pollution problem (e.g., storm-event related, low flow or continuous). For example, on agricultural projects, if irrigation return flow is the source, provide information on the flow, concentrations of the pertinent constituents and their loads. For silvicultural projects, if erosion from forest practices such as timber cutting and road construction is resulting in habitat disruption from excessive sediment load to the adjacent water body, provide the appropriate documentation connecting the land use practice with the degraded or potentially degraded beneficial use. For urban projects, if increased development will be threatening water quality, define the current sources and anticipated sources and project loadings.

Additional reporting requirements must be included in the PIP for all restoration projects.

Restoration projects must report all data compiled as a result of the project. EPA's 319 national guidance mandates that Restoration projects must report "load reductions for nutrients and / or sediments by identification of Best Management Practice [BMP] or method utilized to reduce the pollutant." When a BMP is implemented, the project sponsor must establish a nutrient or sediment load reduction calculation utilizing either a model or monitoring techniques to establish the reduction estimate. In other words, a project utilizing BMPs to reduce nutrients and / or sediments must estimate and then measure and report reductions in those pollutant loads. This data must be included in GRTS and will be input into the database by DEQ.

In order to improve State and public access to water quality data, all in-stream water quality monitoring data for water resources collected pursuant to the implementation of a restoration or demonstration project must be included in STORET. The water quality monitoring data therefore must conform to a specific format for direct import using the STORET Import Module (SIM). SIM compatible Electronic Data Deliverable (EDD) file specifications are detailed on the web at http://www.deq.state.mt.us/wqinfo/datamgmt/STORET_SIM_Support.asp. Questions regarding the SIM compatible format can be directed to Jolene Berscheid of the DEQ Data Management Section, (406) 444-5304 or via email at jberscheid@mt.gov.

Applicants must incorporate this project and reporting requirement as tasks and describe the products. Applicants should consider the reporting and delivery requirements associated with providing products to DEQ for input to STORET and GRTS when calculating the costs of the task. The line item(s) can be either objective or task level. A restoration project may likely take several tasks for completion but should be limited to within one goal or one objective level of the PIP.

3.3 OPERATION AND MAINTENANCE COMPONENT

Applications containing implementation activities must provide a detailed plan for operation and maintenance of any implemented management practices. The plan must ensure the project is properly operated and maintained for the life span of the practice. Operation includes the administration, management, and performance of non-maintenance actions needed to keep the completed practice safe and functioning as intended. Maintenance includes work to prevent deterioration of the practice, damage repair, or replacement of the practice to its original condition if one or more components fail. DEQ and EPA reserve the right to inspect any project funded in part (either direct 319 funds or as cost share funds for 319 projects) or in total by 319 funds for conformance to operation and maintenance condition for the life span of the practice. The life span shall be determined by mutual agreement and definition between the applicant and DEQ based on similar projects and programs. If an applicant fails to properly operate and maintain the practice, DEQ and EPA reserve the right to demand a refund of 319 funds expended to implement the practice.

3.4 MONITORING COMPONENT

Water Quality (Watershed) Restoration applications must contain a monitoring component. The Monitoring Component will be a subsection of the Introduction Section of the application (Section 1.0 of application). The monitoring component will be included in the PIP as a separate line item for the project at either goal, objective or task level.

The narrative for the Monitoring Component must ensure that monitoring is consistent with the state's EPA-approved Quality Assurance Project Plan (QAPP) and identify any site specific amendments required for this project that are not covered by the QAPP. All appropriate

standard operating procedures (SOPs) must be contained in the SOP manual accompanying the QAPP. The application may describe an alternative approach that includes a schedule to develop the appropriate procedure as more information becomes available. The DEQ project officer must approve the QAPP before sampling and monitoring begins. Specific guidelines on writing a QAPP are provided on EPA's Web site at <http://www.epa.gov/volunteer/qappcovr.htm>. Specifically, Attachment I contains a QAPP form / outline that can be filled out and submitted to the project officer that will usually suffice to meet this requirement. Monitoring plans may, dependent upon the QAPP, require an SAP for the project. For assistance on SAP development, please contact Mark Bostrom, DEQ QA Officer at 406-444-2680 or via email at mbostrom@mt.gov.

Additionally, this subsection must describe how and when data will be managed and reported. Results from the data analysis should be used to evaluate progress, determine if changes in project / monitoring design need to be considered and assess the overall final project success. Identify the organization(s) responsible for project evaluation and specify how the resulting information from the data analysis will be shared and utilized for future projects. The sampling and analysis plan should describe how the data would be conveyed to DEQ so that it can be input into the STORET database system and GRTS database. For all restoration projects, measures of success must be developed as outputs and outcomes (measurable results). These measures should be reported on in the quarterly and final reports.

Applicants should consider the monitoring component and associated reporting requirements when calculating task costs.

3.5 APPLICATION OUTLINE FOR WATER QUALITY (WATERSHED) RESTORATION PROJECTS

The application must be submitted in the following manner:

- ✧ Nonpoint Source Grant Application Summary Form
- ✧ Section 1.0 – Introduction
 - Statement of Need
 - WQRP or TMDL Components
 - Well Planned Project
 - Collaborative Effort
 - Letters of Support
 - Reporting Requirements
 - I & E Component
 - Restoration / Demonstration Project
 - Operation and Maintenance Component
 - Monitoring Component
- ✧ Section 2.0 – Project Implementation Plan (PIP)
- ✧ Section 3.0 – Support Documents
 - Project Milestone Table
 - Project Budget Table
 - Project Map (see text box above 3.0 of this document)
 - Other

4.0 SPECIFIC CRITERIA FOR GROUNDWATER RESTORATION PROJECTS

Applications for Groundwater Projects must follow the general application requirements (refer to Section 2.0). However, they must also contain the specific requirements for this category detailed in Sections 4.1 – 4.5 below. All applications must address the NPS impacts from / to groundwater in order to qualify for funding in this category.

Applications for projects in a Top Priority Watershed will receive first consideration for funding during the evaluation process. Applications for High Priority Watersheds will receive the next consideration for funding; Medium Priority Watershed applications will be evaluated last. Funding levels will be tied to the priority level of the watershed plan as long as the application meets all other criteria and the project addresses TMDL implementation activities.

The **TOP PRIORITY** for Groundwater applications will be those projects implementing groundwater components from DEQ approved water quality restoration plans (including TMDL plans). The application will describe the link between the projects' proposed activities and the water quality restoration plans' implementation priorities or scheduled activities. The watersheds with DEQ approved water quality restoration plans containing groundwater components are listed on the web at <http://nris.state.mt.us/wis/swap/swapquery.asp>.

Projects in **HIGH PRIORITY** groundwater applications will include groundwater projects implementing groundwater strategies from an approved water quality restoration plan for impaired waters including DEQ's Nonpoint Source Management Plan. DEQ approved Source Water Protection Plans with groundwater implementation strategies tied to impaired waters and Board of Environmental Review approved Water Quality Protection District plans tied to impaired waters will be given high priority classification. A groundwater project to refine the statewide approach in DEQ's NPS Management Plan.

MEDIUM PRIORITY groundwater applications will include watershed restoration activities for impaired water bodies on the year 2004 lists (Categories 4 or 5 – see water body listings at: <http://nris.state.mt.us/wis/environet/2004Home.html>) or on the year 1996 impaired listing (the 303(d) list - see <http://nris.state.mt.us/wis/environet/DataBaseChoice.html>). Such water quality plans with groundwater strategies could include: NRCS approved watershed plans with groundwater strategies, Conservation District plans describing groundwater priorities and strategies, DNRC plans implementing groundwater strategies, and watershed restoration plans developed by BLM, Forest Service, USFWS, or other public agencies that include groundwater strategies for impaired waters.

4.1 WATER QUALITY PRIORITY

Applications need to demonstrate how groundwater plans or projects meet or provide a statewide strategy.

Applications for groundwater projects must describe the water quality priority as identified in the most recent 305(b) report, source water assessment, and / or NPS Management Plan. To be considered for funding, groundwater and pesticide projects must be identified as priorities in the State NPS Management Plan. Groundwater Projects should be in areas where there is a DEQ approved WQRP or TMDL. The approved plan must contain a groundwater component specifically detailing activities that need to be implemented to achieve water quality and the overall goals of the approved plan.

4.2 AQUIFER RELATIONSHIP TO SURFACE WATER

Detail the DEQ approved plan and highlight the groundwater component as set forth in the plan. Describe groundwater / surface water interaction in the project area. Provide general information on the aquifer region being studied, such as land ownership, land use, soils, and pertinent regional geology. Describe the aquifer's designated use classification, and discuss to what extent the designated uses of the water resource are being met.

Provide information regarding the water resource that will further aid in understanding the project and how it relates to the approved plan. Examples are: document use of the groundwater system being studied as a drinking water supply, discuss the impact of groundwater quality on the consumers or speculate on the consequences if the situation or problem is not addressed.

Additional reporting requirements must be included in the PIP for all groundwater projects. Groundwater projects must report all data compiled as a result of the project to DEQ for input into the STORET and GRTS databases. Applicants must incorporate reporting requirements as tasks and describe the products. Applicants should consider the extent of the reporting requirements and delivery to DEQ for input to STORET and GRTS when calculating the costs of the task.

4.3 I & E COMPONENT

Applications for Groundwater Projects must contain an Information and Education component. This component should be addressed as a subcategory within the Introduction (Section 1.0 of application). DEQ will limit this component to 10 percent of 319 funds being requested for the project. Applicants must be able to justify the costs associated with I & E Activities and the benefit to the project and ultimately improved water quality. Applicants can have the I & E activity total cost be more than 10 percent with the other costs coming from other funding sources that would help meet the match requirements.

The I & E component should identify the target audience, information to be disseminated, method of delivery, and method of monitoring to evaluate effectiveness. The I & E component must be detailed as a specific line item within the PIP and have reasonable associated costs. The specific line item can be either objective or task level.

4.4 MONITORING COMPONENT

Groundwater applications must contain a Monitoring and / or Evaluation Component. The Monitoring Component will be a subsection of the introduction of the application (Section 1.0 of application). The Monitoring Component will be included in the PIP as a separate line item for the project at either goal, objective or task level.

The narrative for the Monitoring Component must ensure that monitoring is consistent with the state's EPA-approved Quality Assurance Project Plan (QAPP) and identify any site specific amendments required for this project that are not covered by the QAPP. All appropriate standard operating procedures (SOPs) must be contained in the SOP manual accompanying the QAPP (when applicable for project activities). The application may describe an alternative approach that includes a schedule to develop the appropriate procedure as more information becomes available. The DEQ project officer must approve the QAPP before sampling and monitoring. Specific guidelines on writing a QAPP are provided on EPA's Web site at

<http://www.epa.gov/volunteer/qappcovr.htm>. Specifically, Attachment I is a QAPP form / outline that can be filled out and submitted to the project officer that will usually suffice to meet this requirement. Monitoring plans may, dependent upon the QAPP, require an SAP for the project. For assistance on SAP development, please contact Mark Bostrom, DEQ QA Officer at 406-444-2680 or via email at mbostrom@mt.gov.

This subsection must describe how and when data will be managed and reported. Results from the data analysis should be used to evaluate progress, determine if changes in project / monitoring design need to be considered and assess the overall final project success. Identify the organization(s) responsible for project evaluation and specify how the resulting information from the data analysis will be shared and utilized for future projects. The sampling and analysis plan should describe how the data would be conveyed to DEQ so that it can be input into the STORET database system and GRTS database.

Applicants should consider the monitoring component and associated reporting requirements when calculating task costs.

4.5 APPLICATION OUTLINE GROUNDWATER

The application must be submitted in the following manner:

- ✧ Nonpoint Source Grant Application Summary Form
- ✧ Section 1.0 – Introduction
 - Statement of Need
 - WQRP or TMDL Components
 - Well Planned Project
 - Collaborative Effort
 - Letters of Support
 - Reporting Requirements
 - Water Quality Priorities
 - Aquifer Relationship to Surface Water
 - I & E Component
 - Monitoring Component
- ✧ Section 2.0 – Project Implementation Plan (PIP)
- ✧ Section 3.0 – Support Documents
 - Project Milestone Table
 - Project Budget Table
 - Project Map (see text box above 3.0 of this document)
 - Other

5.0 ATTACHMENT LISTING

Attachment A –Scoring Criteria and Scoring Sheets

Attachment B – Nonpoint Source Grant Application Summary Form

Attachment C – Letters of Support Table

Attachment D – Sample Watershed Restoration Project Implementation Plan (PIP)

Attachment E – Sample Groundwater Project Implementation Plan (PIP)

Attachment F – Project Milestone Table

Attachment G – Project Detail Budget Table

Attachment H – DEQ Approved WQRP and TMDL plans Map

Attachment I – Quality Assurance Project Plan (QAPP) Form / Outline

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